Announcement to ASX 24th May 2018

ASX Code: SM8

Counter Illumination Research Demonstrating

Strong Evidence as an Effective Shark Deterrent.

Highlights

- Smart Marine Systems Ltd in collaboration with Professor Nathan Hart of Macquarie University and several research agencies has been trialing the effect of specific visual cues on the behavior of predatory sharks.
- Preliminary results have demonstrated 100% effectiveness of deterring an engagement with sharks in a scientifically valid trial procedure undertaken in South Africa over the past two years by Macquarie University.
- Smart Marine Systems Ltd has an exclusive option to commercialise the findings of this research, which has significant applications across the surfboard, canoe, kayaking and watercraft industries.

Thursday 24th May 2018 - **Australian marine technology company Smart Marine Systems Limited (ASX: SM8)** ('Smart Marine Systems' or 'the Company') is pleased to announce the promising preliminary results of the counter illumination research work that has been undertaken in partnership with Professor Nathan Hart of Macquarie University in Sydney.

Smart Marine Systems Ltd (**SMS**) has been focussed on understanding the visual cues of large predatory sharks since 2012 and in 2016 commenced a research project with Professor Nathan Hart of Macquarie University in collaboration with NSW Department of Primary Industry, Flinders University, University of Western Australia, Oceans Research, and NSW Zoological Parks Board. The Australian Research Council supported project has the objective of testing the effect of specific elements of counter illumination on the behaviour of sharks.

"We are witnessing increased negative interactions with large sharks globally and increasingly these interactions are occurring on all watercraft, including surfboards, SUPS, canoes, kayaks and boats. After a few years of strong anecdotal evidence during testing alternative deterrents in South Africa, we decided to complete a structured and scientifically valid field testing program with Macquarie University" commented founder and director of SMS, Mr Craig Anderson.

The research is based on the integration of specific patterns and brightness of lights on the underside of seal decoys that are towed through known shark populations in the eastern cape region of South Africa.

"We are in the second year of a three-year research program of trialling the effectiveness of counterillumination and the preliminary results are very encouraging", commented Professor

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Nathan Hart from Macquarie University. “From two years of testing near Mossel Bay in South Africa with white sharks we have received a 100% success rate with the particular illumination technique developed.”

SMS has an exclusive option on the commercialisation rights to the Intellectual Property generated by this project and the potential applications across the whole marine sector. In the final year of the project the objective is to finalise the light characteristics and configuration that will be the core of the technology. With rapidly evolving technology in small batteries for their power and weight, this creates a significant market opportunity to produce a simple and cost effective shark mitigation solution across all water craft.

“We are super excited by this breakthrough development. The visual systems of sharks are a really important sense that we know they utilise in close proximity to their prey and this technology provides a non-invasive means to mitigate a potential shark attack with a high level of success.”

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About Smart Marine Systems Ltd
Smart Marine Systems Limited (ASX:SM8) is an Australian marine technology company that has developed and commercialised award-winning patented products. Smart Marine Systems product portfolio includes SAMS™ , Clever Buoy™ and Seabin. SAMS™ is a visual technology that is applied to wetsuits and watersport products based on new research of shark visual systems. Clever Buoy™ is a marine monitoring platform that autonomously distinguishes large sharks from other species and sends warning signals to shore for human intervention response. Seabin is a revolutionary ocean plastics cleaning device that catches floating rubbish, oil, fuel and detergents and makes oceans cleaner. Smart Marine Systems’ products can be deployed across oceans globally and the Company is committed to pursuing international commercialisation. To learn more please visit: www.smartmarinesystems.com